

Minutes of the Finance Committee

Wednesday, August 6, 2008

Chair Haukohl called the meeting to order at 8:30 a.m.

Present: Supervisors Pat Haukohl (Chair), Bill Zaborowski, Steven Wimmer, Pamela Meyer, Jean Tortomasi, and Jim Heinrich. Rob Hutton arrived at 8:35 a.m.

Also Present: Labor Relations Manager Jim Richter, Financial Analyst Bill Duckwitz, Building Operations Manager Mark Keckeisen, Engineering Services Manager Gary Evans, Treasurer Pam Reeves, Budget Specialist Linda Witkowski, Senior Financial Analyst Clara Daniels, Budget Manager Keith Swartz, Accounting Services Manager Larry Dahl, Administration Director Norm Cummings, Parks & Land Use Director Dale Shaver, and County Board Supervisor Duane Paulson. Recorded by Mary Pedersen, County Board Office.

Approve Minutes of July 16, 2008

MOTION: Tortomasi moved, second by Wimmer to approve the minutes of July 16. Motion carried 6-0.

Schedule Next Meeting Dates

Haukohl said the next committee meeting was scheduled for August 20. Meyer said she would not be able to attend that meeting.

Chair's Executive Committee Report of July 28, 2008

Haukohl said since the Executive Committee will take on the duties of the now defunct Information Management Panel, the committee was introduced to the panel's citizen member who will stay on as an advisor. They also heard an update on current information systems capital projects. Chair Dwyer gave a report on the National Association of Counties Conference that was held in July.

Hutton arrived at 8:35 a.m.

Review Correspondence

- Letter from Fiserv dated July 11, 2008 to Vrakas, Dwyer, Haukohl, and Heinrich regarding the Waukesha County banking contract which was awarded to a competing vendor. Mader said he would provide the committee with copies of a response letter from Administration Director Cummings when it becomes available.
- Schedule of appearances for 2009 budget reviews before the Finance Committee in October.

Contract Procurement Process for Lifestyle & Wellness Program Administration

Richter said the contract was awarded to eCare Solutions, the highest rated proposer, for a total contract cost of \$318,004.91 (as required by need and not to exceed allotted budget) for four years. The first year cost is \$8,000 and the first year budgeted amount was \$10,000. A total of six vendors submitted RFP's for consideration.

Richter briefly explained the program and advised he would give detailed presentations to this committee and the Personnel Committee at their next meetings. To answer Haukohl's question, Richter said this contract will be contingent on County Board approval via the budget process in October and eCare Solutions is aware of this. First year funding has been budgeted, however. Zaborowski thought the price was steep. Tortomasi felt the program should be mandatory for those departments that typically have many health/injury claims.

MOTION: Heinrich moved, second by Tortomasi to approve the contract procurement process for lifestyle and wellness program administration. Motion carried 7-0.

Contract Procurement Process for Electrical Services

Keckeisen advised the contract was awarded to Advanced Technology Electrical Contractors, LLC; Dnesco Electric, Inc.; and Roman Electric, Inc., the highest rated proposers. The first year budgeted amount was \$100,000. The total cost will be based on need and cannot exceed the allotted budget. Five vendors submitted RFP's for consideration.

MOTION: Tortomasi moved, second by Wimmer to approve the contract procurement process for electrical services. Motion carried 7-0.

Contract Procurement Process for Plumbing Services

Keckeisen said the contract was awarded to Dillett Mechanical, Illingworth Corporation, and Zien Service, the highest rated proposers. The first year budgeted amount was \$100,000. The total cost will be based on need and cannot exceed the allotted budget. A total of three vendors submitted RFP's for consideration.

MOTION: Wimmer moved, second by Hutton to approve the contract procurement process for plumbing services. Motion carried 7-0.

Contract Procurement Process for CTH Y, IH 43 to CTH I, Construction Management

Evans advised the contract was awarded to R.A. Smith National, the highest rated proposer, for a total contract cost of \$426,304. The budgeted amount was \$660,000. A total of seven vendors submitted RFP's for consideration.

MOTION: Hutton moved, second Wimmer to approve the contract procurement process for CTH Y, IH 43 to CTH I, construction management. Motion carried 6-1 (Heinrich).

Heinrich voted no because he has had problems with R.A. Smith in the past. Evans said they've had success with the company and have been very happy with their work. Heinrich and other committee members felt more information on these forms were needed to better identify the roads involved, such as the names.

Update on In-Rem Foreclosure Actions

Reeves discussed her report as outlined entitled "In-Rem Properties Acquired in 2008 Foreclosure of 2004 and Prior Years' Taxes." Reeves said certified mailings went out to lien holders and owners of properties and in April the properties were advertised for three weeks in the Waukesha Freeman. On July 8, the court awarded the County titles to 14 properties. Four have been paid off and ten remain which are detailed in the handout. Reeves said although the

County was awarded these properties, homeowners can reclaim them if they repay all taxes, interest, and penalties within 60 days. Reeves reviewed each of the ten properties as outlined in her report, most of which are vacant landlocked or vacant strips of land.

Six-Months Capital Projects Status Report

Witkowski discussed her report as outlined entitled “Capital Projects 2008 Six Months Status Report” which included information on the County’s 60 open capital projects such as project title, current appropriation, balance, and percentage complete for design, bid, and construction. No major concerns were raised.

Six-Months Special Revenue Funds Report

Swartz and Witkowski discussed their report as outlined entitled “6 Months – 2008 Budget Monitoring Summary Report – Special Revenue Fund Operations.” For the first six months of 2008, Special Revenue Fund actual operating expenditures were at \$45.1 million or 46% of the total modified expenditure budget versus expenditures for the same period in 2007 at \$42.6 million or about 42% of total 2007 actual expenditures. Operating revenues achieved during the first six months of 2008 were \$37.3 million or 51% of the modified revenue budget. This compares to the first six months of 2007 when revenues of \$34.2 million were approximately 44% of the total revenues earned for 2007. Staff went on to review each fund/agency as outlined and advised of upcoming fund transfers.

Annual Status Report on the Contingency Fund

Swartz advised that the contingency fund balance is currently \$1.25 million and we haven’t had any transfer requests this year to date.

Discussion of Charges for Services

Haukohl said this is on the agenda at the request of Hutton who is interested in bringing forward a proposal to cut fees 5% for certain services and supplant with undesignated fund balance. These would include user fees such as zoning permits, licenses, septic and restaurant inspections, etc. Mader has been working with him on this issue. Haukohl was concerned that this could dramatically affect the County budget which is frozen at a 2% increase. Hutton said this is still in the research phase but he is strictly referring to fees for economic, commercial, and residential development. He referred to the proposal as economic stimulus and taxpayer relief, i.e., incentive and short-term relief. He anticipates an ordinance will be forthcoming once all the details have been worked out.

Heinrich asked Hutton if he has heard any complaints. Hutton said he has talked with staff from the Metropolitan Homebuilder’s Association who are seeing a decline in development. Heinrich said, as a general rule, fees in the construction industry are not a driving force. He might support a freeze but he was hesitant on reducing them. He feels they are nominal, for most part, and did not think the savings would be a big incentive. Haukohl believes the fees barely, if at all, cover the actual cost of what’s being done. If we reduce fees, it will eat into the budget and will eventually fall onto property taxpayers. Cummings agreed with Haukohl and said the majority of fees are based on how much it costs us to do a service, for example, septic permit fees. Our goal is not to make money off these fees and he felt the County’s fees and costs are very low compared to many municipalities. Municipal impact fees have a greater influence than our user fees on development. TIF’s also have a greater impact. Cummings advised that fees are 11% of

our budget but they are very important as they help keep our budgets stable. Tortomasi was more than willing to look into this issue further. However, she was concerned as to how this would affect the budget and subsequently the taxpayers. Meyer said an unintended consequence of reducing these fees could be reduced quality of services. Shaver, who works closely with the real estate and development industry, said this issue doesn't seem to be a concern of theirs and in fact it is just the opposite. They are more concerned with the County charging an appropriate fee to ensure we have adequate staffing levels to prompt a review in a timely manner. Swartz referred to budget book pages 260 and 261 (Parks & Land Use) and page 325 (Public Works) and he noted that we don't always fully recoup our costs and sometimes revenues are less than budgeted. Dahl was thanked for his efforts in providing information on this issue.

Update Finance Committee Future Agenda Items List

The committee reviewed and updated the future agenda items list.

MOTION: Heinrich moved, second by Tortomasi to adjourn at 11:50 a.m. Motion carried 7-0.

Respectfully submitted,

Approved on:_____

Pamela Meyer
Secretary